

Charity Commission: latest updates



Press release: Charity regulator announces changes to the annual return for charities

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The Charity Commission has today announced changes to the annual return, the tool it uses to hold charities accountable to the public.

The regulator says the changes, which will apply when charities report on their financial years ending in 2015, will strengthen its ability to identify risk and will ensure people have access to the information they need to make confident decisions about charities.

Today's announcement follows a full consultation on proposed changes. The commission has listened carefully to the arguments made by charities and its decisions take into account concerns that were raised about some of the proposals. A [summary of the consultation responses](#) is published today, alongside the commission's analysis.

The annual return 2015 will include three new question areas, which received broad support in the consultation:

- In the reporting period, how much income did you receive from:
 - contracts from central or local government to deliver services
 - grants from central or local government?
- Does your charity have a policy on paying its staff?
- Has your charity reviewed its financial controls during the reporting period?

The consultation also proposed a question on charities' campaigning expenditure. The regulator says it reflected on the concerns raised during the consultation and recognises that including such a question at this time would create a significant amount of work for charities. That question will therefore not be reflected in the annual return for 2015, but the commission maintains that charities' campaigning expenditure is a matter of public interest and will revisit the issue when it considers changes to the annual return for 2016.

The commission has also taken into account concerns raised about a proposal to ask charities

with incomes of between £10,000 and £500,000 for key financial information. The commission says it recognises that including this question would impact particularly on charities with smaller incomes, and that it will therefore not require charities to supply this information in the annual return. Instead, it will explore whether a technological solution, for example the introduction of accounting software, might allow it to gather the information it needs to regulate charities effectively, without putting too great a burden on smaller charities.

Paula Sussex, Chief Executive of the Charity Commission said:

The public rightly expects charities to be accountable and transparent. They also expect us to regulate effectively and to use the tools at our disposal to do so. This additional information will help achieve both aims. I hope it will also encourage trustees to monitor their charity's financial controls and carefully consider what they pay their staff.

I would like to thank all those who took part in the consultation - our decisions clearly demonstrate that we have listened and responded to the views charities and others have expressed.

The commission is reminding charities that it is getting tougher on those that fail to file annual returns and accounts on time. In September 2013 it launched a class inquiry to investigate charities that had not submitted accounts for two or more financial years. That investigation continues.

Ends

PR 89/14

Notes to editors

1. [The Charity Commission](#) is the independent regulator of charities in England and Wales.
2. Our mission is to be the independent registrar and regulator of charities in England and Wales, acting in the public's interest, to ensure that
 - charities know what they have to do
 - the public know what charities do
 - charities are held to account
3. All charities with incomes of over £10,000 are required to complete the annual return

within 10 months of the end of their financial year. Charities with incomes of over £25,000 are also required to submit annual accounts to the regulator.

4. The commission uses the information supplied in the annual return to populate the online charity search tool. In 2013-14, charities' details were viewed over 6 million times.